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TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
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Prime Minister's schedule, Nov. 13

NIKKEI (Page 2) (Full)
November 14, 2007

09:01

Attended a cabinet meeting in the Diet building.

10:11

Met Policy Research Council Chairman Tanigaki, LDP fiscal reform study group president Yosano and chairman Sonoda.

11:01

Met UAE Central Bank Governor Suwaidi and others, with Japan-UAE Friendship Parliamentary League Secretary General Taniguchi present. Followed by Finance Minister Nukaga, Vice Finance Minister Tsuda, and others.

12:22

Met Chief Cabinet Secretary Machimura.

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13:41

Attended a Lower House plenary session.

14:31

Met at the Kantei with Vietnamese high school students visiting Japan for an event of international youth exchange sponsored by Aeon, with Aeon Honorary Chairman Takuya Okada and former Secretary General Nakagawa.

15:02

Met Deputy Foreign Minister Yabunaka, Asian and Oceanian Affairs Bureau Director General Sasae, Southern Asian Affairs Department Head Atsumi and others.

16:08

Met Yabunaka, North American Affairs Bureau Director General Nishimiya, METI Deputy Vice Minister Toyoda, Finance Ministry's International Affairs Bureau Director General Tamaki, Environment Ministry Global Environment Bureau Director General Minamikawa, and others,

17:08

Arrived at his official residence.

19:04

Dined with Secretary General Ibuki, Executive Council Chairman Nikai and Executive Council members at a Chinese restaurant, joined by Machimura and other present.

19:48

Returned to his private residence in Nozawa.

- 2) Japan-US summit: US beef imports likely to be on the agenda; US expected to call for scrapping import conditions

ASAHI (Page 4) (Full)
November 14, 2007

Japan has set the age of cattle eligible for export to Japan at 20 months or younger. The Japan-US summit to be held on No. 16 will likely focus on easing this criterion. President Bush is expected to

call for a total scrapping of import conditions imposed by Japan. However, since Prime Minister Fukuda characterizes food safety as one of his administration's key issues, he would not be able to agree to do so so easily. As such, talks on the issue will likely fail to reach an agreement.

Minister of Agriculture, Forestry and Fisheries (MAFF) Wakabayashi during a press conference yesterday reiterated the Japanese government's stance, saying, "Japan cannot immediately accept unconditional imports, can it?"

Wakabayashi yesterday discussed in the Diet with relevant cabinet ministers how to respond on the issue. The government is undertaking coordination up to the last minute in the face of the US side's unprecedentedly hard-line approach.

Since the livestock industry is strong in Texas, the president's home state, he has been interested in this issue from the very beginning. There was an unwritten agreement with former Prime Minister Koizumi, with whom he had a personal relationship of trust,

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that economic issues are not to be made a bone of contention, as a government source put it. However, the Japanese side views that with Koizumi no longer running the government and Bush reaching the final phase of his tenure, he has now a stronger intention to produce some sort of results.

The World Organization for Animal Health (OIE), an international organ responsible for setting safety standards for livestock, in May this year acknowledged that the danger of BSE is under control regarding US beef. The acknowledgement is backing the hard-line US stance.

MAFF has envisaged a scenario of easing the age criterion from the current "20 months or younger" to "below 30 months." "Below 30 months" is the condition set by South Korea, Taiwan and Russia when they import US beef. MAFF has come up with the same condition, because as the cows the US exports are mostly aged 24 months or younger, setting the criterion at 30 months would be sufficient.

The government's stance is, however, that a premise for easing import conditions should be scientific knowledge. Japan and the US have jointly studied the potential BSE danger in the US, but a report has not yet been compiled to be available for the summit. In addition, revising import conditions requires approval from the Food Safety Committee, an independent organ. The prime minister intends to convey to the president that it would be difficult to revise import conditions until scientific knowledge is determined.

The prime minister is concerned that the public is increasingly interested in food safety due to a series of food labeling scams. Since he pledged in his policy speech made in October that he would have correct food labeling familiarized and toughen systems applied to imported food items in order to protect food safety and peace of mind, he has no other choice but to be cautious about the US beef issue as well.

3) Prime Minister Fukuda in meeting with President Bush to announce plan to develop human resources to increase Japan-US exchanges

MAINICHI (Page 2) (Full)
November 14, 2007

Prime Minister Yasuo Fukuda decided yesterday to announce in his planned meeting on Nov. 16 with US President George W. an initiative to increase exchanges between Japan and the United States and to play up the need for strengthening person-to-person exchange between the two countries.

The initiative is composed of three pillars: 1) intellectual exchange; 2) grassroots exchange; and 3) Japanese-language education. To push forward with intellectual exchange, Fukuda plans to hold seminars on security, economic and environmental affairs in cooperation with such major think-tanks with strong influence over US policy as the Brookings Institution and the Center for Strategic

International Studies (CSIS). In order to promote grassroots exchange, he plans to rely on USFJ veterans and the America-Japan Society, centering on Japanese consulates in the United States. He also plans to promote measures to promote Japanese language courses in colleges.

4) Prime Minister Fukuda to take photo of his father and George H. W. Bush to Washington as souvenir for President Bush

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YOMIURI (Page 4) (Abridged)
November 14, 2007

Prime Minister Yasuo Fukuda will take a photo of his father and former President George H. W. Bush, which was taken over 10 years ago, as a souvenir to his meeting on Nov. 16 with US President George W. Bush. In their first meeting, the photo will likely help them build a close relationship.

Appearing in the photo are former Prime Minister Takeo Fukuda, former President George H. W. Bush, and former President Ronald Reagan. The photo was owned by a friend of Prime Minister Fukuda.

The photo seems to be taken in the early 1990s in Japan. "It is not known at present when and under what circumstance the photo was taken," Fukuda's aide said.

5) New antiterrorism bill clears Lower House

YOMIURI (Page 1) (Full)
November 14, 2007

The new antiterrorism bill aimed at resuming the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean was adopted in a House of Representatives plenary session yesterday by a majority from the Liberal Democratic Party and the New Komeito. The bill was sent to the House of Councillors later in the day. The Democratic Party of Japan (DPJ), which now holds control of the Upper House, has opposed the start of deliberations on the government's bill. Under such a situation, it remains to be seen whether the bill will be enacted by the end of the current Diet session on Dec. 15.

In an open vote in the plenary session, the members of the DPJ, the Japanese Communist Party, and the Social Democratic Party voted against the bill. The People's New Party's members stayed away from the voting, reasoning: "It is premature to take a vote." In a press conference yesterday, DPJ Upper House Secretary General Kenji Hirata cited as conditions for the party's participation in deliberations on the bill: (1) The DPJ's own bill aimed to abolish the special legislation for Japan's aid in Iraq's reconstruction be discussed before the new antiterrorism bill; and (2) the details of a series of scandals involving the Defense Ministry be cleared up.

The Upper House Steering Committee's executive board discussed yesterday how the bill should be treated, but it decided to put off the ruling-camp-proposed start of discussion today. The ruling bloc is hoping to hold a briefing on the bill on the morning of Nov. 19, after Prime Minister Fukuda returns home from the United States on the 17th and just before he leaves Japan for the East Asia Summit to be held in Singapore. The DPJ, though, remains unwavering in its stance. A senior LDP Upper House member said yesterday: "The briefing is likely to be carried out in a plenary session on Nov. 26, after the prime minister returns from Singapore."

Under the Constitution, the bill will be regarded as rejected in the Upper House on Jan. 12, 60 days after the bill was sent to the Upper House. It will become possible for the ruling camp to bring the bill back into the Lower House for a revote starting on Jan. 12. Keeping this in mind, the ruling coalition is also considering the possibility of extending the current Diet session until mid-January

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of next year or for another one month or so.

6) DPJ antiterrorism bill specifies need for permanent law, limiting SDF dispatch to one year

YOMIURI (Page 2) (Full)
November 14, 2007

The Democratic Party of Japan (DPJ) drafted a "special measures bill on prevention and eradication of international terrorism and reconstruction support for Afghanistan" (tentative name) as its counterproposal to the government's new antiterrorism special measures bill. It submitted the bill in a meeting of its foreign and defense affairs committee yesterday.

The draft approves the dispatch of Self-Defense Force (SDF) troops, police officers, and doctors to take part in reconstruction assistance activities in Afghanistan, setting the time limit of one year. It also specifies the necessity of establishing a permanent law on SDF overseas missions at an early date. The draft notes that permanent legislation should stipulate basic principles on collective security measures in Chapter 7 of the United Nations Charter, as well as basic principles on invoking the right of self-defense under the Constitution of Japan.

Limiting areas for SDF activities to "areas for which a ceasefire agreement has already been reached or areas which have been regarded as safe for the citizens, the draft bill specifies SDF personnel should engage in (1) reconstructing farmland and facilities for agriculture; (2) providing medical care; and (3) transporting and distributing daily goods. The draft also proposes easing the standards for use of weapons and adds to the standards "a case in which it is judged necessary to use a weapon in order to stop resistance to peacekeeping operations." The draft requires prior Diet approval for dispatching SDF troops overseas.

As for maritime intercept operations (MIO), including the Maritime Self-Defense Force's (MSDF) refueling operation, the DPJ referred in the draft bill to the possibility of allowing the dispatch of the MSDF, attaching such conditions as the adoption of a new United Nations resolution. The draft notes: "When a decision is made to carry out operations based on a UN Security Council resolution, discussion should be carried out on necessary legal preparations for Japan to participate in the operations, including on its propriety." In the meeting yesterday, objections were raised to the contents of the draft bill in succession, so the party decided to continue discussion today.

7) DPJ drafts own antiterrorism bill

SANKEI (Page 3) (Full)
November 14, 2007

The Democratic Party of Japan (DPJ) yesterday drafted a special measures bill on prevention and eradication of international terrorism and reconstruction support for Afghanistan as its counterproposal to the government's new antiterrorism special measures bill.

The draft includes measures to revitalize agriculture; provide medical care; transport everyday commodities for affected people; assist police activities; and help promote disarmaments.

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The draft envisions activities by police officers, doctors, and civilians in provisional reconstruction teams (PRT) participating in the International Security Assistance Force (ISAF) in areas for which a ceasefire agreement has already been reached or in which damage has not been inflicted on the civilians.

The draft proposes smoothly arranging permanent legislation to enable the Self-Defense Force (SDF) to take part in overseas operations, premised that operations are carried out on a basis of a United Nations resolution. Based on this condition, the DPJ promises in the draft to study legal arrangements for SDF participation in

the maritime interdiction operation (MIO), including the refueling operation. The party is now discussing whether the draft bill should be made into a text.

8) "Vacuum" in Indian Ocean may affect antiterrorism measures

YOMIURI (Page 3) (Excerpts)
November 14, 2007

As a new antiterrorism special measures bill cleared the House of Representatives prior to the upcoming US-Japan summit on Nov. 16, the government now feels at ease, with Administrative Vice Foreign Minister Shotaro Yachi commenting: "We were able to dispatch a good message to the United States and the rest of world." However, there appear such problems as a sharp decrease in information on terrorists in the Indian Ocean due to the withdrawal of the Maritime Self-Defense Force.

Prime Minister Yasuo Fukuda will tell US President George W. Bush that he will do his best to enact the new antiterrorism legislation as early as possible to resume the MSDF refueling operation.

A government source said yesterday:

"Passing the measure through the Lower House, in which the ruling coalition has an overwhelming majority, is the minimum requirement. If the prime minister visits without getting the bill passed in the Lower House, Japan will lose face."

The MSDF supply vessel Tokiwa and destroyer Kirisame, which carried out the refueling activities in the Indian Ocean until Nov. 1, are now on their journey back home. They are expected to return home in late November.

9) "Japan-US alliance will be important for next US administration as well," says CFR chairman

ASAHI (Page 6) (Full)
November 14, 2007

A symposium titled "America and East Asia" co-hosted by the Council on Foreign Relations (CFR), the think-tank that issues the monthly "Foreign Affairs," and Asahi Shimbun), was held yesterday in Tokyo. Commenting on Japan-US relations, President Richard Haass underscored: "Parts of the relationship will change according to the times, but the importance of the bilateral alliance will remain unchanged. Japan will be a close partner of the US during the next US administration as well."

Asked during a question-and-answer session whether China could

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become a strategic partner of the US, CFR senior fellow Adam Segal responsible for China affairs noted, "The two countries might be able to cooperate on many issues, but I do not think it will become a US partner like Japan and Britain, which share the same values with the US."

10) Three Okinawan municipalities that were not eligible for US force realignment subsidies switch their stance and agree to accept government plan

TOKYO SHIMBUN (Page 3) (Full)
November 14, 2007

Kin Town, Ginoza Village and Onna Village, which host Camp Hansen, on Nov. 13 announced that they would accept a government plan for the joint use of Camp Hansen with the Ground Self-Defense Force (GSDF), on which Tokyo and Washington had agreed in connection with to the realignment of the US forces stationed in Japan. The three municipalities had been against the joint use of the facility as leading to an increased burden imposed by the military base.

Accordingly, the Defense Minister excluded the three municipalities from the list of local governments eligible for realignment subsidies, which the government extends, according to the degree of

cooperation. This is the first time for any local governments that were not eligible for subsidies to have changed their stance and accepted a government plan. The Defense Ministry now intends to extend subsidies to those three municipalities as well.

Asked why they have changed their stance, officials of the three municipalities replied that they judged the details of drills and subsidies provided by the Defense Ministry from a comprehensive perspective. Okinawa Defense Bureau Director General Kamata released a comment, which read, "The joint use of Camp Hansen would improve the training environment of the GSDF and benefit the safety of prefectural citizens in the event of disasters."

The GSDF First Combine Brigade stationed in Naha City now carries out drills three to four times a year at the GSDF's training grounds located in various parts of Kyushu. Shooting and security drills will likely be carried out at Camp Hansen.

11) Tokyo prosecutors to build bribery case against former Vice Defense Minister Moriya, question defense officials about CX procurement

MAINICHI (Top Play) (Lead paragraph)
November 14, 2007

The special investigation squad of the Tokyo District Public Prosecutors Office seems to be building a bribery case against former Administrative Vice Defense Minister Takemasa Moriya, 63, and Motonobu Miyazaki, 69, former executive of defense equipment trader Yamada Corp., who has been arrested on suspicion of embezzling corporate funds, because suspicions have deepened that Moriya gave favors to Miyazaki in selecting an engine supplier for the CX next-generation transport aircraft in exchange for receiving illegal profits. The prosecutors yesterday began questioning Defense Ministry officials and former defense officials.

12) Moriya telephoned Yamada section in charge after being briefed by company about overcharging Defense Agency

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ASAHI (Top play) (Excerpt)
November 14, 2007

The special investigation squad of the Tokyo District Public Prosecutors Office yesterday questioned current and former Defense Ministry officials in connection with the case in which military equipment trading house Yamada Corp. overcharged the ministry for the Maritime Self-Defense Force's equipment in FY2000, informed sources said yesterday. It was also found that former Administrative Vice-Defense Minister Takemasa Moriya, who was serving as Defense Agency Defense Policy Bureau director general at the time, had telephoned the section in charge at Yamada after being briefed by the company about the matter. The investigation squad questioned some 30 current and former defense officials yesterday with the aim of finding out whether or not the ministry gave favors to Yamada Corp.

13) Former Yamada US subsidiary president arrested

ASAHI (Page 1) (Full)
November 14, 2007

Osamu Akiyama, 70, former president of Yamada International Corp., a US subsidiary of Yamada Corp., returned from the United States to Japan yesterday. Akiyama is suspected to have conspired with Motonobu Miyazaki, 69, former managing director of Yamada Corp. and former president of Japan Mirise.

The special investigation squad of the Tokyo District Public Prosecutors Office arrested Akiyama yesterday on suspicion of embezzling company funds and forging documents.

Yakimaya is reported to have played a central role in building slush funds by Yamada's US subsidiary. The special investigation squad is expected to pursue him on this point as well.

14) Former Chinese Embassy official sentenced to death, suspended for two years, in military court-martial on suspicion of leaking classified information to Japan

SANKEI (Top play) (Excerpts)
November 14, 2007

Tadashi Ito, Beijing

Executive director Wang Chingchuan, 51, of the China Association for International Friendly Contact (CAIFC; chaired by former Foreign Minister Huang Hua), which has ties to a wide range of Japanese quarters, has been sentenced to death, suspended for two years, for leaking military information to a Japanese national, sources familiar with Japan-China relations revealed. Wang's subordinate, Chai Yungkuang, Asian affairs department deputy director, was also reportedly sentenced to three years in prison for corruption. The CAIFC is now faced with the greatest crisis since its establishment.

Hailing from the Chinese military intelligence department, Wang, a former colonel, had served as a CAIFC agent in Japan since the 1980s. He served as a first secretary at the Chinese Embassy in Japan for several years until 2001. Having built a wide range of ties to people in all walks of life in Japan, he has frequently

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visited Japan after returning to China.

According to the sources, Wang, after undergoing the National Security Ministry's investigations since last fall, was indicted this spring on charges of leaking military secrets and was sentenced to death (with a possibility of being reduced to life imprisonment two years later) in a closed court-martial this spring.

Wang's death sentence has been a top secret in China, with only a handful of Chinese people aware of it. According to the sources, Wang handed military data to a certain Japanese around summer last year, and part of it was made public and that eventually led to his arrest.

However, the contents of the data and the identity of the Japanese national remain unclear. The person who obtained information might face a charge of espionage. But there has been no query about the Japanese person in question from the Chinese side, according to concerned Japanese authorities.

The CAIFC was established in 1984 as a Chinese military-affiliated organization to promote private-sector exchanges with other countries. Expanding the organization under support by the late Deputy President Wang Chen (honorary CAIFC chairman) and former Central Advisory Committee Chairman Deng Xiaoping, the CAIFC's leadership includes high-ranking female members, such as Deng's third daughter, Deng Rongshi, and former ambassadors to Japan.

The CAIFC was also supported by the late Japan Foundation chairman Ryoichi Sasakawa. Forging friendly ties to Deng Xiaoping and Wang Chen in the 1980s, Sasakawa provided the organization with 10 billion yen in a Sasakawa peace fund. Backed by political leaders and funds, the CAIFC has grown into a central organization of exchanges with Japan.

But the bloated organization has developed in recent years a tendency to use exchanges with Japan for doing business and gaining vested interests. Raising questions about such a tendency, Japan Foundation (chaired by Yohei Sasakawa) dissolved the relations of friendship with the organization in March this year. There is a possibility that the Chinese government, too, has embarked on normalizing the CAIFC.

15) Chinese ship to visit Japan on Nov. 28 for 1st time

NIKKEI (Page 2) (Full)
November 14, 2007

A Chinese naval vessel will visit Japan from Nov. 28 through Dec. 1 for the first time, government officials revealed yesterday. The Chinese warship is a destroyer, which is scheduled to arrive at Harumi in Tokyo for exchange programs with the Maritime Self-Defense Force, including communication training and concerted navigation. The MSDF also has plans to send a vessel to China next year. Their mutual visits could make Japan and China gear up for bilateral cooperation in the security area.

Japan and China once agreed in 1998 on mutual fleet visits. However, China was repulsed by the joint development of a missile defense system between Japan and the United States. Since then, their mutual visits have been up in the air. The two countries were about to make mutual fleet visits in May 2002. Eventually, however, those

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scheduled fleet visits were shelved due to then Prime Minister Junichiro Koizumi's visits to Yasukuni Shrine and other issues.

DONOVAN